

TO: THE DIRECTOR OF CORPORATE SERVICES
9 MAY 2014

**AWARD OF A CONTRACT FOR
THE SUPPLY OF CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM
AND HOSTING
(Director of Corporate Services)**

1 PURPOSE OF REPORT

- 1.1 The purpose of this report is to seek approval to award a new contract for the Supply of a Customer Relationship Management (CRM) system. This contract includes provision of a customer portal, eForms, workflow, customer database and hosting. The Crown Commercial Service G-cloud framework provides a vehicle to establish value for money.

2 RECOMMENDATION(S)

- 2.1 That the contract to supply a CRM system and cloud hosting is awarded to Supplier B, as detailed in the Confidential Annexe. The contract is to be awarded for up to two years, at which time a re-evaluation of the CRM offer on the G-cloud framework must be undertaken.

3 REASONS FOR RECOMMENDATION(S)

- 3.1 Following a thorough evaluation of the offer on the G-cloud framework for the supply of CRM software platform and cloud hosting, Supplier B has achieved the best overall performance in total cost and quality.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Alternative suppliers have been assessed through the evaluation process as detailed in the Confidential Annex.
- 4.2 For the procurement process, the main alternative is a full tender process via OJEU. The project believes that this would ultimately incur a higher cost in terms of officer time and implementation.

5 SUPPORTING INFORMATION

Use of G-Cloud For Procurement

- 5.1 The proposed procurement of the replacement Customer Relationship Management system for the Council represents the first use of the Crown Commercial Service (CCS) G-Cloud framework for a major strategic ICT platform. This framework provides for public sector organisations to draw on contracts for software and hosting with suppliers, who have been through a formal tendering process with the CCS. Suppliers publish their offer through the framework at non-negotiable published rates.

Unrestricted

- 5.2 The Procurement Team undertook research into the framework at the outset and were therefore able to provide significant help and guidance on its use. They have also provided a useful link to the Crown Commercial Service, which has given reassurance throughout the process that correct procedures were being followed. This is the Council's first use of the G-cloud framework, and the support of the Procurement Team has been invaluable.
- 5.3 The use of G-Cloud presents several benefits for the Council. First and foremost, due to the nature of the G-Cloud framework, the Council is not obliged to follow external lengthy procurement procedures (such as OJEU), and as such is only bound by its internal Contract Standing Orders and its desire to ensure value for money is successfully maintained.
- 5.4 The G-cloud framework provides for services to be purchased on a 'pay as you go' basis, with a minimum period of one month. The flexibility of the G-cloud arrangements means that the Council can review the system and supplier at any time. This means the Council is not locked into a particular supplier for the service, and has the freedom to change supplier quickly if needed. All suppliers are measured against their ability to work with legacy data. This ensures that the cost of change, should it be needed, is kept to a minimum.
- 5.5 All suppliers listed on the G-Cloud service have subscribed to the OJEU framework. This allows the Council to move forward with greater confidence and obviates the need for certain checks and balances to be applied.
- 5.6 The ICT strategy has, as one of its objectives, a shift towards cloud based services as and when opportunities arise. This allows the Council to explore the cost savings of these procurement models and test their suitability for use as a strategic platform.
- 5.7 The Crown Commercial Services G-cloud framework CRM category includes 571 entries..
- 5.8 Please refer to the Confidential Annexe for full details of the evaluation and short-listing process, and a breakdown of quality and pricing issues that were established during the evaluation. In summary, the G-Cloud process used was as follows
- 5.8.1 The G-Cloud website was examined to produce a list of all potential suppliers of CRM solutions.
- 5.8.2 This list was filtered in terms of functional suitability and price. Site documentation provided by the suppliers was reviewed.
- 5.8.3 A short list of four suppliers, who appeared to meet functional and cost requirements, was produced. These suppliers were contacted to provide further information, provide reference sites that can be visited, and answer specific questions raised by the project team.
- 5.8.4 The project team visited reference sites and met with users of the CRM at these sites to determine experience.
- 5.8.5 The project team also interviewed implementation teams to determine the level, nature and overall quality of professional services offered by the Supplier.

FUNDING AND BUDGET

- 5.9 Funding for the project has been provided using an invest to save bid approved by Corporate Management Team. The annual licence costs of the new solution are expected to be £18,000 per annum representing a saving of £30,000 over the current supplier.
- 5.10 The project secured an Invest to Save bid of £86,200 on the basis that the project would realise revenue savings of approximately £19k per annum.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The procurement has been carried out through a compliant framework agreement established in accordance with the Public Contract Regulations and in accordance with the Council's contract standing orders. The terms of the call-off contract are considered acceptable to the Council.

Borough Treasurer

- 6.2 Based on the estimates provided in the report on-going savings are expected to be in the region of £30,000 per annum as a result of lower annual licence & maintenance costs which will more than cover the requirements of the Invest-to-Save bid by which the project is funded.

Equalities Impact Assessment

- 6.3 An initial screening was completed and no negative equality impact is directly associated with this contract. However, a Privacy Impact Assessment will be required in respect of any personal data to be stored on the system.

Strategic Risk Management Issues

- 6.4 The risk evaluation procedure has produced the following risks, with their associated mitigation strategies:
- 6.4.1 Senior stakeholders display a preference for a particular product. Solution - Use an evidenced based approach and robust business case to show objectively which solution is best.
- 6.4.2 Vendor becomes insolvent, or suffers a business continuity event. Solution - Vendors have been selected from a framework to ensure financial viability, and required to provide evidence of a suitable Business Continuity response plan as part of the evaluation process.

Other Officers

CO:IS

- 6.5 This is one of the first projects where the stated aim is to adopt a cloud strategy as the preferred method of service/systems delivery. As a result it has generated some useful corporate learning and the implementation will provide a case study for others wishing to pursue this route.

6.6 Head of Procurement

G Cloud is a new and innovative method of procuring hosted services, championed by the Government to reduce procurement timescales and make it easier for SMEs to engage with the process. The services are bought from what is essentially an e-marketplace of wares from a large number of suppliers. As in any market set-up, the onus is on the buyer to satisfy itself that what is on offer really meets its requirements and that the (suppliers own) terms and conditions are acceptable. This is of course the reverse of normal procurement where the buyer issues a specification on its own terms and conditions which suppliers bid to provide against. Thus, under G Cloud much of the compliance risk is transferred from supplier to buyer. Contracts are limited to 2 years' duration, following which a fresh market assessment in GCloud is required. This should have the benefit of keeping a competitive pressure on costs; under the traditional scenario licence fees on renewal tend to rise above inflation as incumbent suppliers perceive a reluctance to re-procure competitively.

The Corporate Procurement Team advised in the early stages of the project but has not been involved in the clarification or evaluation process.

7 **CONSULTATION**

Principal Groups Consulted

- 7.1 Iain McCracken, Executive Member for Culture, Corporate Services & Public Protection
- 7.2 Staff on reference site visits.

Method of Consultation

- 7.2 Meetings.

Representations Received

- 7.3 Included in the Confidential Annex.

Background Papers

Confidential Annex
CRM Replacement Scoring Matrix
Procurement Plan

Doc. Ref

PRJ1372 - CRM/Director Contract Award Report, Final
PRJ1372 - CRM/Director Contract Award Report Confidential Annex 1

Contact for further information

Carlos Chadderton, Project Manager, ICT Services.
Telephone: 01344 352644
Email: carlos.chadderton@bracknell-forest.gov.uk

APPROVED:

Signature: _____

Name: Alison Sanders

Title: Director Corporate Services
Bracknell Forest Borough Council

Date: _____